

Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.505 Accumulated amortization--Tangible--Account 3400 (Class B Telephone Companies); Accumulated Amortization--Capital Leases--Account 3410 (Class A Telephone Companies).</p> <p>(a) Amounts in these accounts are apportioned among the operations on the basis of the separation of the related accounts.</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.506 Net current deferred operating income taxes--Account 4100, Net noncurrent deferred operating income taxes--Account 4340.</p> <p>(a) Amounts in these accounts are maintained by plant account and are apportioned among the operations on the basis of the separations of the related plant accounts.</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.507 Other jurisdictional liabilities and deferred credits--Net--Account 4370.</p> <p>(a) Amounts in this account are separated based upon an analysis of the specific items involved.</p>	X	

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PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies Subpart F – Universal Service Fund

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.601 General.</p> <p>(a) The term Universal Service Fund in this subpart refers only to the support for loop-related costs included in Sec. 36.621. The term Universal Service in part 54 of this chapter refers to the comprehensive discussion of the Commission's rules implementing section 254 of the Communications Act of 1934, as amended, 47 U.S.C. 254, which addresses universal service support for rural, insular, and high cost areas, low-income consumers, schools and libraries, and health care providers. The expense adjustment calculated pursuant to this subpart F shall be added to interstate expenses and deducted from state expenses after expenses and taxes have been apportioned pursuant to subpart D of this part. Beginning January 1, 1998, the expense adjustment calculated pursuant to this subpart will be administered and funded through the new universal service system discussed in part 54 of this chapter.</p> <p>(b) The expense adjustment will be computed on the basis of data for a preceding calendar year which may be updated at the option of the carrier pursuant to Sec. 36.612(a).</p> <p>(c) Until June 30, 2001, the annual amount of the total nationwide expense adjustment shall consist of the amounts calculated pursuant to Sec. 54.309 of this chapter and the amounts calculated pursuant to this subpart F. The annual amount of the total nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the amount of the total loop cost expense adjustment for the immediately preceding calendar year, increased by a rate equal to the rate of increase in the total number of working loops during the calendar year preceding the July 31st filing. The total loop cost expense adjustment shall consist of the loop cost expense adjustments, including amounts calculated pursuant to Sec. 36.612(a) and Sec. 36.631. The rate of increase in total working loops shall be based upon the difference between the number of total working loops on December 31 of the calendar year preceding the July 31st filing and the number of total working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to Sec. 36.611. Beginning January 1, 2000, non-rural incumbent local exchange carriers and, eligible telecommunications carriers serving lines in the service area of non-rural incumbent local exchange carriers, shall only receive support pursuant to this subpart F to the extent that they qualify pursuant to Sec. 54.311 of this chapter for interim hold-harmless support. Support amounts calculated pursuant to this subpart F but not received due to the phase down of interim hold-harmless support or the receipt of forward-looking support pursuant to Sec. 54.311 of this chapter shall not be redistributed to other carriers.</p> <p>[52 FR 17229, May 6, 1987, as amended at 56 FR 27422, June 14, 1991; 58FR 69242, Dec. 30, 1993; 61 FR 34376, July 2, 1996; 62 FR 32947, June 17, 1997; 62 FR 40748, July 30, 1997; 63 FR 2124, Jan. 13, 1998; 64 FR 30924, June 9, 1999; 64 FR 67430, Dec. 1, 1999; 65 FR 78992, Dec. 18, 2000; 66 FR 30085, June 5, 2001]</p>		<p>X²</p> <p>X³</p> <p>X⁴</p>

² Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

³ See previous footnote.

⁴ See previous footnote.

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart F—Universal Service Fund General</p> <p>Sec. 36.602 Calculation of non-rural carrier portion of nationwide loop cost expense adjustment.</p> <p>Effective July 1, 2001, for purposes of determining non-rural carrier interim hold-harmless support, pursuant to Sec. 54.311 of this chapter, the annual amount of the total nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the amount of the total loop cost expense adjustment for the immediately preceding calendar year, increased by a rate equal to the rate of increase in the total number of working loops during the calendar year preceding the July 31st filing. The total loop cost expense adjustment shall consist of the loop cost expense adjustments, including amounts calculated pursuant to Sec. Sec. 36.612(a) and 36.631. The rate of increase in total working loops shall be based upon the difference between the number of total working loops on December 31 of the calendar year preceding the July 31st filing and the number of total working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to Sec. 36.611. Non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of non-rural incumbent local exchange carriers shall only receive support pursuant to this subpart F to the extent that they qualify pursuant to Sec. 54.311 of this chapter for interim hold-harmless support. Support amounts calculated pursuant to this subpart F but not received due to the phase down of interim hold-harmless support or the receipt of forward-looking support pursuant to Sec. 54.311 of this chapter shall not be redistributed to other carriers.</p> <p>[66 FR 30085, June 5, 2001]</p>		X ⁵

⁵ Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.603 Calculation of rural incumbent local exchange carrier portion of nationwide loop cost expense adjustment.</p> <p>(a) Effective July 1, 2001, the rural incumbent local exchange carrier portion of the annual nationwide loop cost expense adjustment will be recomputed by the fund administrator as if the indexed cap calculated pursuant to Sec. 36.601(c) and the corporate operations expense limitation calculated pursuant to Sec. 36.621 had not been in effect for the calendar year 2000. For the period July 1, 2001, to December 31, 2001, the annualized amount of the rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the non-capped amount of the total rural incumbent local exchange carrier loop cost expense adjustment for the calendar year 2000, multiplied times one plus the Rural Growth Factor calculated pursuant to Sec. 36.604. For the period January 1, 2002, to December 31, 2002, the annual amount of the rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the non-capped amount of the total rural incumbent local exchange carrier loop cost expense adjustment for calendar year 2000, multiplied times one plus the Rural Growth Factor for 2001, which then shall be multiplied times one plus the Rural Growth Factor for 2002. Beginning January 1, 2003, the annual amount of the rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the amount of the total rural incumbent local exchange carrier loop cost expense adjustment for the immediately preceding calendar year, multiplied times one plus the Rural Growth Factor calculated pursuant to Sec. 36.604.</p> <p>(b) The annual rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment shall be reduced to reflect the transfer of rural incumbent local exchange carrier access lines that are eligible for expense adjustments pursuant to Sec. 36.631. The reduction shall equal the amount of the Sec. 36.631 expense adjustment available to the transferred access lines at the time of the transfer and shall be effective in the next calendar quarter after the access lines are transferred.</p> <p>(c) Safety net additive support calculated pursuant to Sec. 36.605, and transferred high-cost support and safety valve support calculated pursuant to Sec. 54.305 of this chapter shall not be included in the rural incumbent local exchange carrier portion of the annual nationwide loop cost expense adjustment.</p> <p>[66 FR 30085, June 5, 2001, as amended at 67 FR 44083, July 1, 2002]</p>		<p>X</p> <p>X</p> <p>X</p>

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.604 Calculation of the rural growth factor.</p> <p>The Rural Growth Factor (RGF) is equal to the sum of the annual percentage change in the United States Department of Commerce's Gross Domestic Product--Chained Price Index (GPD-CPI) plus the percentage change in the total number of rural incumbent local exchange carrier working loops during the calendar year preceding the July 31st filing submitted pursuant to Sec. 36.611. The percentage change in total rural incumbent local exchange carrier working loops shall be based upon the difference between the total number of rural incumbent local exchange carrier working loops on December 31 of the calendar year preceding the July 31st filing and the total number of rural incumbent local exchange carrier working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to Sec. 36.611. Loops acquired by rural incumbent local exchange carriers shall not be included in the RGF calculation.</p> <p>[66 FR 30085, June 5, 2001]</p>		X

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.605 Calculation of safety net additive.</p> <p>(a) "Safety net additive support." A rural incumbent local exchange carrier shall receive safety net additive support if it satisfies the conditions set forth in paragraph (c) of this section. Safety net additive support is support available to rural telephone companies, as conditioned in paragraph (c) of this section, in addition to support calculated pursuant to Sec. 36.631. Safety net additive support shall not be available to rural telephone companies for exchange(s) that are subject to Sec. 54.305 of this chapter.</p> <p>(b) Calculation of safety net additive support: Safety net additive support is equal to the amount of capped support calculated pursuant to this subpart F in the qualifying year minus the amount of support in the year prior to qualifying for support subtracted from the difference between the uncapped expense adjustment for the study area in the qualifying year minus the uncapped expense adjustment in the year prior to qualifying for support as shown in the following equation: Safety net additive support = (Uncapped support in the qualifying year-Uncapped support in the base year)-(Capped support in the qualifying year-Amount of support received in the base year).</p> <p>(c) Operation of safety net additive support: (1) In any year in which the total carrier loop cost expense adjustment is limited by the provisions of Sec. 36.603 a rural incumbent local exchange carrier shall receive safety net additive support as calculated in paragraph (b) of this section, if in any study area, the rural incumbent local exchange carrier realizes growth in end of period Telecommunications Plant in Service (TPIS), as prescribed in Sec. 32.2001 of this chapter, on a per loop basis, of at least 14 percent more than the study area's TPIS per loop investment at the end of the prior period.</p> <p>(2) If paragraph (c)(1) of this section is met, the rural incumbent local exchange carrier must notify the Administrator; failure to properly notify the Administrator of eligibility shall result in disqualification of that study area for safety net additive, requiring the rural incumbent local exchange carrier to again meet the eligibility requirements in paragraph (c)(1) of this section for that study area in a subsequent period.</p> <p>(3) Upon completion of verification by the Administrator that the study area meets the stated criterion in paragraphs (a), (b), (c) of this section, the Administrator shall:</p> <p>(i) Pay to any qualifying rural telephone company, safety net additive support for the qualifying study area in accordance with the calculation set forth in paragraph (b) of this section; and</p> <p>(ii) Continue to pay safety net additive support in any of the four succeeding years in which the total carrier loop expense adjustment is limited by the provisions of Sec. 36.603. Safety net additive support in the succeeding four years shall be the lesser of: (A) The sum of capped support and the safety net additive support received in the qualifying year; or (B) The rural telephone company's uncapped support.</p> <p>[66 FR 30086, June 5, 2001, as amended at 66 FR 65856, Dec. 21, 2001]</p>		<p>X</p> <p>X</p> <p>X</p>

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund Data Collection</p> <p>Sec. 36.611 Submission of information to the National Exchange Carrier Association (NECA).</p> <p>In order to allow determination of the study areas and wire centers that are entitled to an expense adjustment pursuant to Sec. 36.631, each incumbent local exchange carrier (LEC) must provide the National Exchange Carrier Association (NECA) (established pursuant to part 69 of this chapter) with the information listed for each study area in which such incumbent LEC operates, with the exception of the information listed in paragraph (h) of this section, which must be provided for each study area and, if applicable, for each wire center, as defined in part 54 of this chapter, and each disaggregation zone as established pursuant to Sec. 54.315 of this chapter. This information is to be filed with NECA by July 31st of each year. The information provided pursuant to paragraph (h) of this section must be updated pursuant to Sec. 36.612. Rural telephone companies that acquired exchanges subsequent to May 7, 1997, and incorporated those acquired exchanges into existing study areas shall separately provide the information required by paragraphs (a) through (h) of this section for both the acquired and existing exchanges.</p> <p>(a) Unseparated, i.e., state and interstate, gross plant investment in Exchange Line Cable and Wire Facilities (C&WF) Subcategory 1.3 and Exchange Line Central Office (CO) Circuit Equipment Category 4.13. This amount shall be calculated as of December 31st of the calendar year preceding each July 31st filing.</p> <p>(b) Unseparated accumulated depreciation and noncurrent deferred federal income taxes, attributable to Exchange Line C&WF Subcategory 1.3 investment, and Exchange Line CO Circuit Equipment Category 4.13 investment. These amounts shall be calculated as of December 31st of the calendar year preceding each July 31st filing, and shall be stated separately.</p> <p>(c) Unseparated depreciation expense attributable to Exchange Line C&WF Subcategory 1.3 investment, and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount shall be the actual depreciation expense for the calendar year preceding each July 31st filing.</p> <p>(d) Unseparated maintenance expense attributable to Exchange Line C&WF Subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount shall be the actual repair expense for the calendar year preceding each July 31st filing.</p> <p>(e) Unseparated corporate operations expenses, operating taxes, and the benefits and rent proportions of operating expenses. The amount for each of these categories of expense shall be the actual amount for that expense for the calendar year preceding each July 31st filing. The amount for each category of expense listed shall be stated separately.</p> <p>(f) Unseparated gross telecommunications plant investment. This amount shall be calculated as of December 31st of the calendar year preceding each July 31st filing.</p> <p>(g) Unseparated accumulated depreciation and noncurrent deferred federal income taxes attributable to local unseparated telecommunications plant investment. This amount shall be calculated as of December 31st of the calendar year preceding each July 31st filing.</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	

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[illegible]

⁶ BST will continue to accumulate and report the number of working loops to NECA as needed for the application of Part 54.309(a)(4), (b)(3) and (b)(4).

⁷ See previous footnote.

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund Data Collection</p> <p>Sec. 36.613 Submission of information by the National Exchange Carrier Association.</p> <p>(a) On October 1 of each year, the National Exchange Carrier Association shall file with the Commission and Administrator the information listed below. Information filed with the Commission shall be compiled from information provided to the Association by telephone companies pursuant to Sec. 36.611.</p> <p>(1) The unseparated loop cost for each study area and a nationwide-average unseparated loop cost.</p> <p>(2) The annual amount of the high cost expense adjustment for each study area, and the total nationwide amount of the expense adjustment.</p> <p>(3) The dollar amount and percentage of the increase in the nationwide average unseparated loop cost, as well as the dollar amount and percentage increase for each study area, for the previous 5 years, or the number of years NECA has been receiving information under Sec. 36.611, whichever is the shorter time period.</p> <p>(b) [Reserved]</p>		<p>X⁸</p> <p>X</p>
[52 FR 17229, May 6, 1997, as amended at 62 FR 32948, June 17, 1997; 63 FR 2124, Jan. 13, 1998]		

⁸ This rule applies to NECA. Pursuant to forbearance sought in previous rules, BST will no longer provide loop cost or expense adjustment data to NECA.

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund</p> <p>Calculation of Loop Costs for Expense Adjustment</p> <p>Sec. 36.621 Study area total unseparated loop cost.</p> <p>(a) For the purpose of calculating the expense adjustment, the study area total unseparated loop cost equals the sum of the following:</p> <p>(1) Return component for net unseparated Exchange Line C&WF subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount is calculated by deducting the accumulated depreciation and noncurrent deferred Federal income taxes attributable to C&WF subcategory 1.3 investment and Exchange Line Category 4.13 circuit investment reported pursuant to Sec. 36.611(b) from the gross investment in Exchange Line C&WF subcategory 1.3 and CO Category 4.13 reported pursuant to Sec. 36.611(a) to obtain the net unseparated C&WF subcategory 1.3 investment, and CO Category 4.13 investment. The net unseparated C&WF subcategory 1.3 investment and CO Category 4.13 investment is multiplied by the study area's authorized interstate rate of return.</p> <p>(2) Depreciation expense attributable to C&WF subcategory 1.3 investment, and CO Category 4.13 investment as reported in Sec. 36.611(c).</p> <p>(3) Maintenance expense attributable to C&WF subcategory 1.3 investment, and CO Category 4.13 investment as reported in Sec. 36.611(d).</p> <p>(4) Corporate Operations Expenses, Operating Taxes and the benefits and rent portions of operating expenses, as reported in Sec. 36.611(e) attributable to investment in C&WF Category 1.3 and COE Category 4.13. This amount is calculated by multiplying the total amount of these expenses and taxes by the ratio of the unseparated gross exchange plant investment in C&WF Category 1.3 and COE Category 4.13, as reported in Sec. 36.611(a), to the unseparated gross telecommunications plant investment, as reported in Sec. 36.611(f). Total Corporate Operations Expense, for purposes of calculating universal service support payments beginning July 1, 2001, shall be limited to the lesser of:</p> <p>(i) The actual average monthly per-loop Corporate Operations Expense; or</p> <p>(ii) A monthly per-loop amount computed according to paragraphs (a)(4)(ii)(A), (a)(4)(ii)(B), (a)(4)(ii)(C), and (a)(4)(ii)(D) of this section. To the extent that some carriers' corporate operations expenses are disallowed pursuant to these limitations, the national average unseparated cost per loop shall be adjusted accordingly.</p> <p>(A) For study areas with 6,000 or fewer working loops the amount monthly per working loop shall be \$33.30853 - (.00246 x the number of working loops), or, \$50,000 / the number of working loops, whichever is greater;</p> <p>(B) For study areas with more than 6,000 but fewer than 18,006 working loops, the monthly amount per working loop shall be \$3.83195 + (88,429.20 / the number of working loops); and</p> <p>(C) For study areas with 18,006 or more working loops, the monthly amount per working loop shall be \$8.74472.</p> <p>(D) Beginning January 1, 2002, the monthly per-loop amount computed according to paragraphs (a)(4)(ii)(A), (a)(4)(ii)(B), and (a)(4)(ii)(C) of this section shall be adjusted each year to reflect the annual percentage change in the United States Department of Commerce's Gross Domestic Product-Chained Price Index (GDP-CPI).</p> <p>(b) [Reserved]</p> <p>[52 FR 17229, May 6, 1987, as amended at 56 FR 27422, June 14, 1991; 62 FR 32948, June 17, 1997; 62 FR 40748, July 30, 1997; 63 FR 2124, Jan. 13, 1998; 66 FR 30086, June 5, 2001]</p>		<p>X⁹</p> <p>X</p>

⁹ Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund</p> <p>Calculation of Loop Costs for Expense Adjustment</p> <p>Sec. 36.622 National and study area average unseparated loop costs.</p> <p>(a) National Average Unseparated Loop Cost per Working Loop. Except as provided in paragraph (c) of this section, this is equal to the sum of the Loop Costs for each study area in the country as calculated pursuant to Sec. 36.621(a) divided by the sum of the working loops reported in Sec. 36.611(h) for each study area in the country. The national average unseparated loop cost per working loop shall be calculated by the National Exchange Carrier Association. Effective July 1, 2001, the national average unseparated loop cost for purposes of calculating expense adjustments for rural incumbent local exchange carriers, as that term is defined in Sec. 54.5 of this chapter, is frozen at \$240.00.</p> <p>(1) The National Average Unseparated Loop Cost per Working Loop shall be recalculated by the National Exchange Carrier Association to reflect the September, December, and March update filings.</p> <p>(2) Each new nationwide average shall be used in determining the additional interstate expense allocation for companies which made filings by the most recent filing date.</p> <p>(3) The calculation of a new national average to reflect the update filings shall not affect the amount of the additional interstate expense allocation for companies which did not make an update filing by the most recent filing date.</p> <p>(b) Study Area Average Unseparated Loop Cost per Working Loop. This is equal to the unseparated loop costs for the study area as calculated pursuant to Sec. 36.621(a) divided by the number of working loops reported in Sec. 36.611(h) for the study area.</p> <p>(1) If a company elects to, or is required to, update the data which it has filed with the National Exchange Carrier Association as provided in Sec. 36.612(a), the study area average unseparated loop cost per working loop and the amount of its additional interstate expense allocation shall be recalculated to reflect the updated data.</p> <p>(2) [Reserved]</p> <p>(c) The National Average Unseparated Loop Cost per Working Loop shall be the greater of:</p> <p>(1) The amount calculated pursuant to the method described in paragraph (a) of this section; or</p> <p>(2) An amount calculated to produce the maximum total Universal Service Fund allowable pursuant to Sec. 36.601(c).</p> <p>[52 FR 17229, May 6, 1987, as amended at 56 FR 27422, June 14, 1991; 58 FR 69242, Dec. 30, 1993; 60 FR 65012, Dec. 15, 1995; 61 FR 34377, July 2, 1996; 62 FR 32948, June 17, 1997; 63 FR 2125, Jan. 13, 1998; 64 FR 67430, Dec. 1, 1999; 66 FR 30087, June 5, 2001]</p>		<p>X¹⁰</p> <p>X¹¹</p> <p>X¹²</p>

¹⁰ This rule applies to NECA. Pursuant to forbearance sought in previous rules, BST will no longer provide loop cost or expense adjustment data to NECA.

¹¹ See previous footnote.

¹² See previous footnote.

Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund</p> <p>Calculation of Expense Adjustment--Additional Interstate Expense Allocation</p> <p>Sec. 36.631 Expense adjustment.</p> <p>(a) Until December 31, 1987, for study areas reporting 50,000 or fewer working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following:</p> <p>(1) Fifty percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and</p> <p>(2) Seventy-five percent of the study area unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area.</p> <p>(b) Until December 31, 1987, for study areas reporting more than 50,000 working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following:</p> <p>(1) Twenty-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and</p> <p>(2) The amount calculated pursuant to Sec. 36.631(a)(2).</p> <p>(c) Beginning January 1, 1988, for study areas reporting 200,000 or fewer working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of paragraphs (c)(1) through (2) of this section. After January 1, 2000, the expense adjustment (additional interstate expense allocation) for non-rural telephone companies serving study areas reporting 200,000 or fewer working loops pursuant to Sec. 36.611(h) shall be calculated pursuant to Sec. 54.309 of this chapter or Sec. 54.311 of this chapter (which relies on this part), whichever is applicable.</p> <p>(1) Sixty-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and</p> <p>(2) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area.</p>		<p>X</p> <p>X</p> <p>X</p>

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<p>Subpart F--Universal Service Fund</p> <p>Calculation of Expense Adjustment--Additional Interstate Expense Allocation</p> <p>Sec. 36.631 Expense adjustment (continued)</p> <p>(d) Beginning January 1, 1988, for study areas reporting more than 200,000 working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of paragraphs (d)(1) through (4) of this section. After January 1, 2000, the expense adjustment (additional interstate expense allocation) shall be calculated pursuant to Sec. 54.309 of this chapter or Sec. 54.311 of this chapter (which relies on this part), whichever is applicable.</p> <p>(1) Ten percent of the study area average unseparated loop cost per working loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 160 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area;</p> <p>(2) Thirty percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 160 percent of the national average for this cost but not greater than 200 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area;</p> <p>(3) Sixty percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 200 percent of the national average for this cost but not greater than 250 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and</p> <p>(4) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 250 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area.</p> <p>(e) Beginning April 1, 1989, the expense adjustment calculated pursuant to Sec. 36.631 (c) and (d) shall be adjusted each year to reflect changes in the size of the Universal Service Fund resulting from adjustments calculated pursuant to Sec. 36.612(a) made during the previous year. If the resulting amount exceeds the previous year's fund size, the difference will be added to the amount calculated pursuant to Sec. 36.631 (c) and (d) for the following year. If the adjustments made during the previous year result in a decrease in the size of the funding requirement, the difference will be subtracted from the amount calculated pursuant to Sec. 36.631 (c) and (d) for the following year.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33011 and 33012, Aug. 29, 1988; 63 FR 2125, Jan. 13, 1998; 64 FR 67430, Dec. 1, 1999; 64 FR 73428, Dec. 30, 1999; 69 FR 12553, Mar. 17, 2004]</p>		<p>X¹³</p> <p>X¹⁴</p>

¹³ Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

¹⁴ See previous footnote.

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47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund Transitional Expense Adjustment</p> <p>Sec. 36.641 Transition.</p> <p>(a) The expense adjustment for 1993 and subsequent years shall be the amount computed in accordance with Sec. 36.631.</p> <p>(b) The expense adjustments for 1988 through 1992 shall be as follows:</p> <p>(1) Three-eighths of the amount computed in accordance with Sec. 36.631 in 1988;</p> <p>(2) One-half of the amount computed in accordance with Sec. 36.631 in 1989;</p> <p>(3) Five-eighths of the amount computed in accordance with Sec. 36.631 in 1990;</p> <p>(4) Three-quarters of the amount computed in accordance with Sec. 36.631 in 1991; and</p> <p>(5) Seven-eighths of the amount computed in accordance with Sec. 36.631 in 1992.</p>	X	X

Appendix 1 – Rules

PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies Appendix to Part 36 – Glossary

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Appendix Appendix to Part 36--Glossary The descriptions of terms in this glossary are broad and have been prepared to assist in understanding the use of such terms in the separation procedures. Terms which are defined in the text of this part are not included in this glossary.	X	
Appendix Access Line A communications facility extending from a customer's premises to a serving central office comprising a subscriber line and, if necessary, a trunk facility, e.g., a WATS access line, TWX access line.	X	
Appendix Book Cost The cost of property as recorded on the books of a company.	X	
Appendix Cable Fill Factor The ratio of cable conductor or cable pair kilometers in use to total cable conductor or cable pair kilometers available in the plant, e.g., the ratio of revenue producing cable pair kilometers in use to total cable pair kilometers in plant.	X	
Appendix Category A grouping of items of property or expense to facilitate the apportionment of their costs among the operations and to which, ordinarily, a common measure of use is applicable.	X	
Appendix Central Office A switching unit, in a telephone system which provides service to the general public, having the necessary equipment and operations arrangements for terminating and interconnecting subscriber lines and trunks or trunks only. There may be more than one central office in a building.	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Appendix Channel An electrical path suitable for the transmission of communications between two or more points, ordinarily between two or more stations or between channel terminations in Telecommunication Company central offices. A channel may be furnished by wire, fiberoptics, radio or a combination thereof.	X	
Appendix Circuit A fully operative communications path established in the normal circuit layout and currently used for message, WATS access, TWX, or private line services.	X	
Appendix Circuit Kilometers The route kilometers or revenue producing circuits in service, determined by measuring the length in terms of kilometers, of the actual path followed by the transmission medium.	X	
Appendix Common Channel Network Signaling Channels between switching offices used to transmit signaling information independent of the subscribers' communication paths or transmission channels.	X	
Appendix Complement (of cable) A group of conductors of the same general type (e.g., quadded, paired) within a single cable sheath.	X	
Appendix Complex All groups of operator positions, wherever located, associated with the same call distribution and/or stored program control unit.	X	
Appendix Concentrating Unit (TWX) An arrangement of central office equipment wherein traffic over a number of TWX circuits is automatically concentrated onto a lesser number of circuits between the concentrating unit and its associated TWX switching office.	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Concentration Equipment</p> <p>Central office equipment whose function is to concentrate traffic from subscriber lines onto a lesser number of circuits between the remotely located concentration equipment and the serving central office concentration equipment. This concentration equipment is connected to the serving central office line equipment.</p>	X	
<p>Appendix</p> <p>Connection--Minute</p> <p>The product of (a) the number of messages and, (b) the average minutes of connection per message.</p>	X	
<p>Appendix</p> <p>Conversation--Minute</p> <p>The product of (a) the number of messages and, (b) the average minutes of conversation per message.</p>	X	
<p>Appendix</p> <p>Conversation-Minute-Kilometers</p> <p>The product of (a) the number of messages, (b) the average minutes of conversation per message and (c) the average route kilometers of circuits involved.</p>	X	
<p>Appendix</p> <p>Cost</p> <p>The cost of property owned by the Telephone Company whose property is to be apportioned among the operations. This term applies either to property costs recorded on the books of the company or property costs determined by other evaluation methods.</p>	X	
<p>Appendix</p> <p>Current Billing</p> <p>The combined amount of charges billed, excluding arrears.</p>	X	
<p>Appendix</p> <p>Customer Dialed Charge Traffic</p> <p>Traffic which is both (a) handled to completion through pulses generated by the customer and (b) for which either a message unit charge, bulk charge or message toll charge is except for that traffic recorded by means of message registers.</p>	X	

Appendix 1 -- Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Customer Premises Equipment</p> <p>Items of telecommunications terminal equipment in Accounts 2310 referred to as CPE in Sec. 64.702 of the Federal Communication Commission's Rules adopted in the Second Computer Inquiry such as telephone instruments, data sets, dialers and other supplemental equipment, and PBX's which are provided by common carriers and located on customer premises and inventory included in these accounts to be used for such purposes. Excluded from this classification are similar items of equipment located on telephone company premises and used by the company in the normal course of business as well as over voltage protection equipment, customer premises wiring, coin operated public or pay telephones, multiplexing equipment to deliver multiple channels to the customer, mobile radio equipment and transmit earth stations.</p>	X	
<p>Appendix</p> <p>Customer Premises Wire</p> <p>The segment of wiring from the customer's side of the protector to the customer premises equipment.</p>	X	
<p>Appendix</p> <p>DSA Board</p> <p>A local dial office switchboard at which are handled assistance calls, intercepted calls and calls from miscellaneous lines and trunks. It may also be employed for handling certain toll calls.</p>	X	
<p>Appendix</p> <p>DSB Board</p> <p>A switchboard of a dial system for completing incoming calls received from manual offices.</p>	X	
<p>Appendix</p> <p>Data Processing Equipment</p> <p>Office equipment such as that using punched cards, punched tape, magnetic or other comparable storage media as an operating vehicle for recording and processing information. Includes machines for transcribing raw data into punched cards, etc., but does not include such items as key-operated, manually or electrically driven adding, calculating, bookkeeping or billing machines, typewriters or similar equipment.</p>	X	
<p>Appendix</p> <p>Dial Switching Equipment</p> <p>Switching equipment actuated by electrical impulses generated by a dial or key pulsing arrangement.</p>	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Equal Access Costs</p> <p>Include only initial incremental presubscription costs and initial incremental expenditures for hardware and software related directly to the provision of equal access which would not be required to upgrade the switching capabilities of the office involved absent the provisions of equal access.</p>	X	
<p>Appendix</p> <p>Equivalent Gauge</p> <p>A standard cross section of cable conductors for use in equating the metallic content of cable conductors of all gauge to a common base.</p>	X	
<p>Appendix</p> <p>Equivalent Kilometers of 104 Wire</p> <p>The basic units employed in the allocation of pole lines costs for determining the relative use made of poles by aerial cables and by aerial wire conductors of various sizes. This unit reflects the relative loads of such cable and wire carried on poles.</p>	X	
<p>Appendix</p> <p>Equivalent Pair Kilometers</p> <p>The product of sheath Kilometers and the number of equivalent gauge pairs of conductors in a cable.</p>	X	
<p>Appendix</p> <p>Equivalent Sheath Kilometers</p> <p>The product of (a) the length of a section of cable in kilometers (sheath kilometers) and (b) the ratio of the metallic content applicable to a particular group of conductors in the cable (e.g., conductors assigned to a category) to the metallic content of all conductors in the cable.</p>	X	
<p>Appendix</p> <p>Exchange Transmission Plant</p> <p>This is a combination of (a) exchange cable and wire facilities (b) exchange central office circuit equipment, including associated land and buildings and (c) information origination/termination equipment which forms a complete channel.</p>	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Appendix Holding Time The time in which an item of telephone plant is in actual use either by a customer or an operator. For example, on a completed telephone call, holding time includes conversation time as well as other time in use. At local dial offices any measured minutes which result from other than customer attempts to place calls (as evidenced by the dialing of at least one digit) are not treated as holding time.	X	
Appendix Host Central Office An electronic analog or digital base switching unit containing the central call processing functions which service the host office and its remote locations.	X	
Appendix Information Origination/Termination Equipment Equipment used to input into or receive output from the telecommunications network.	X	
Appendix Interexchange Channel A circuit which is included in the interexchange transmission equipment.	X	
Appendix Interexchange Transmission Equipment The combination of (a) interexchange cable and wire facilities, (b) interexchange circuit equipment and, (c) associated land and buildings.	X	
Appendix Interlocal Trunk A circuit between two local central office units, either manual or dial. Interlocal trunks may be used for either exchange or toll traffic or both.	X	
Appendix Intertoll Circuits Circuits between toll centers and circuits between a toll center and a tandem system in a different toll center area.	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Appendix Local Channel The portion of a private line circuit which is included in the exchange transmission plant. However, common usage of this term usually excludes information origination/termination equipment.	X	
Appendix Local Office A central office serving primarily as a place of termination for subscriber lines and for providing telephone service to the subscribers on these lines.	X	
Appendix Loop A pair of wires, or its equivalent, between a customer's station and the central office from which the station is served.	X	
Appendix Message A completed call, i.e., a communication in which a conversation or exchange of information took place between the calling and called parties.	X	
Appendix Message Service or Message Toll Service Switched service furnished to the general public (as distinguished from private line service). Except as otherwise provided, this includes exchange switched services and all switched services provided by interexchange carriers and completed by a local telephone company's access services, e.g., MTS, WATS, Execunet, open-end FX and CCSA/ONALs	X	
Appendix Message Units Unit of measurement used for charging for measured message telephone exchange traffic within a specified area.	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Appendix Metropolitan Service Area The area around and including a relatively large city and in which substantially all of the message telephone traffic between the city and the suburban points within the area is classified as exchange in one or both directions.	X	
Appendix Minutes-of-Use A unit of measurement expressed as either holding time or conversation time.	X	
Appendix Minutes-of-Use-Kilometers The product of (a) the number of minutes-of-use and (b) the average route kilometers of circuits involved.	X	
Appendix Multi-Center Exchange An exchange area in which are located two or more local central office buildings or wire centers.	X	
Appendix Operations The term denoting the general classifications of services rendered to the public for which separate tariffs are filed, namely exchange, state toll and interstate toll.	X	
Appendix Operator Trunks A general term, ordinarily applied to trunks between manually operated switchboard positions and local dial central offices in the same wire center.	X	
Appendix Private Line Service A service for communications between specified locations for a continuous period or for regularly recurring periods at stated hours.	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Appendix Remote Access Line An access line (e.g., for WATS or TWX service) between a subscriber's premises in one toll rate center and a serving central office located in a different toll rate center.	X	
Appendix Remote Line Location A remotely located subscriber line access unit which is normally dependent upon the central processor of the host office for call processing functions.	X	
Appendix Remote Trunk Arrangement (RTA) Arrangement that permits the extension of TSPS functions to remote locations.	X	
Appendix Reservation That amount or quantity of property kept or set apart for a specific use.	X	
Appendix Reserved Kept or set apart for a specific use.	X	
Appendix Separations The process by which telecommunication property costs, revenues, expenses, taxes and reserves are apportioned among the operations.	X	
Appendix Service Observing Unit A unit of work measurement which is used as the common denominator to express the relative time required for handling the various work functions at service observing boards.	X	
Appendix Sheath Kilometers The actual length of cable in route kilometers.	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Special Services</p> <p>All services other than message telephones, e.g., teletypewriter exchange service (TWX), private line services.</p>	X	
<p>Appendix</p> <p>Station-to-Station Basis</p> <p>The term applied to the basis of toll rate making which contemplates that the message toll service charge (telephone or TWX) covers the use made of all facilities between the originating station and the terminating station, including the stations, and the services rendered in connection therewith.</p>	X	
<p>Appendix</p> <p>Study Area</p> <p>Study area boundaries shall be frozen as they are on November 15, 1984.</p>	X	
<p>Appendix</p> <p>Subscriber Line or Exchange Line</p> <p>A communication channel between a telephone station, PBX or TWX station and the central office which serves it.</p>	X	
<p>Appendix</p> <p>Subtributary Office</p> <p>A class of tributary office which does not have direct access to its toll center, but which is connected to its toll center office by means of circuits which are switched through to the toll center at another tributary office.</p>	X	
<p>Appendix</p> <p>Tandem Area</p> <p>The general areas served by the local offices having direct trunks to or from the tandem office. This area may consist of one or more communities or may include only a portion of a relatively large city.</p>	X	
<p>Appendix</p> <p>Tandem Circuit or Trunk</p> <p>A general classification of circuits or trunks between a tandem central office unit and any other central office or switchboard.</p>	X	

Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Tandem Connection</p> <p>A call switched at a tandem office.</p>	X	
<p>Appendix</p> <p>Tandem Office</p> <p>A central office unit used primarily as an intermediate switching point for traffic between local central offices within the tandem area. Where qualified by a modifying expression, or other explanation, this term may be applied to an office employed for both the interconnection of local central offices within the tandem area and for the interconnection of these local offices with other central offices, e.g., long haul tandem office.</p>	X	
<p>Appendix</p> <p>Toll Center</p> <p>An office (or group of offices) within a city which generally handles the originating and incoming toll traffic for that city to or from other toll center areas and which handles through switched traffic. The toll center normally handles the inward toll traffic for its tributary exchanges and, in general, either handles the outward traffic originating at its tributaries or serves as the outlet to interexchange circuits for outward traffic ticketed and timed at its tributaries. Toll centers are listed as such in the Toll Rate and Route Guide.</p>	X	
<p>Appendix</p> <p>Toll Center Area</p> <p>The areas served by a toll center, including the toll center city and the communities served by tributaries of the toll center.</p>	X	
<p>Appendix</p> <p>Toll Center Toll Office</p> <p>A toll office (as contrasted to a local office) in a toll center city.</p>	X	
<p>Appendix</p> <p>Toll Circuit</p> <p>A general term applied to interexchange trunks used primarily for toll traffic.</p>	X	